

Exhibit 17

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1 35674/S53972

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IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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5 PHILIP WONG, FREDERIC)
CHAUSSY, and LESLIE MARIE)
6 SHEARN, individually, on)
behalf of all others)
7 similarly situated, and)
on behalf of the general)
8 public,)

9 Plaintiffs,)

10 vs.)No. 3:07-cv-2446 MMC

11 HSBC MORTGAGE CORPORATION)
(USA); HSBC BANK USA,)
12 N.A.; and DOES 1 through)
50, inclusive,)

13 Defendants.)

14

15 30(b)(6) VIDEOTAPED DEPOSITION OF
JEANETTE JENNINGS

16

17 Taken December 19, 2007
Commencing at 9:08 a.m.

18

19

20

21 REPORTED BY: MELANIE L. HUMPHREY-SONNTAG, RDR, CRR, CSR
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1 30(b)(6) videotaped deposition of
2 JEANETTE JENNINGS taken on December 19, 2007,
3 commencing at 9:08 a.m., at the law firm of Littler
4 Mendelson, P.C., Suite 2900, 200 North LaSalle
5 Street, before Melanie L. Humphrey-Sonntag,
6 Registered Diplomate Reporter, Certified Realtime
7 Reporter, and Notary Public of and for the State of
8 Illinois.

9

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APPEARANCES

11

12 On Behalf of the Plaintiffs:

13 Mr. Bryan J. Schwartz
14 Nichols, Kaster & Anderson, LLP
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16

17 On Behalf of the Defendants:

18 Ms. Michelle R. Barrett
19 Littler Mendelson, P.C.
20 20th Floor
650 California Street
San Francisco, California 94108-2693
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21

Also Present: Mr. Bruce Witty, Videographer

22

23

24 NOTE: The original transcript will be filed
with Mr. Schwartz, pursuant to the applicable Rules
25 of Civil Procedure.

00003

1 INDEX

2

WITNESS: JEANETTE JENNINGS PAGE

3

EXAMINATION BY MR. SCHWARTZ.....5

4

5 EXHIBITS MARKED AND REFERRED TO:

6 No. 1 Amended Notice of Deposition 20

7 No. 2 HSBC Online Application 35

8 No. 3 Incentive Plan 105

9 No. 4 Loan Officer Branch Schedule 124

10 No. 5 Chaussy's Employment Offer Letter 189

11 (Original exhibits attached to original transcript;
copies attached to transcript copies.)

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1 BY MR. SCHWARTZ:

2 Q. Are you familiar with this notice?

3 A. Yes.

4 Q. Okay.

5 MS. BARRETT: Counsel, just to clarify,

6 this is the one, I believe, that was transmitted --

7 MR. SCHWARTZ: Recently.

8 MS. BARRETT: -- to my office on Monday

9 of this week.

10 Ms. Jennings has actually not seen this

11 specific document.

12 THE WITNESS: Oh.

13 MS. BARRETT: She's seen a previous

14 iteration of it.

15 MR. SCHWARTZ: Yeah. The only change

16 was the -- we revised the date to reflect the time

17 that the witness was actually going to be here.

18 BY MR. SCHWARTZ:

19 Q. But you saw the substance of this document;

20 is that right?

21 A. If it's the same, then -- then, yes I would

22 say -- if nothing else has changed.

23 Q. All right. So what is your exact position

24 title at HSBC Bank?

25 A. Group director for human resources.

00022

1 Q. And do you have some other type of

2 functional title?

3 A. Functional title, no.

4 Q. Okay. Some other title?

5 A. Corporate title is senior vice president.

6 Q. I have to confess I don't understand the

7 difference between a functional title and a

8 corporate title, but -- I just know that everybody

9 there seems to have at least two titles.

10 A. It's in banking. It's -- that's normal.

11 Q. Okay. And to whom do you report?

12 A. I report to a Mr. Gareth Powell; G A R E T H,

13 and Powell is P O W E L L.

14 Q. And what's Mr. Powell's job?

15 A. Mr. Powell is also group director, senior

16 vice president of -- of human resources.

17 I'm sorry. Were you looking for . . . more

18 than his job title?

19 Q. What's -- yeah. What's his area of

20 responsibility?

21 A. His area of responsibility is for all of

22 corporate HR functions within the bank.

23 So that would be audit, finance, the

24 mortgage division, operations, anything and

25 everything that supports the bank infrastructure.

00024

1 THE WITNESS: Do you have the spelling

2 on that? H E R -- okay.

3 A. (Continuing.) And then there are -- and

4 then I have two other individuals that report to

5 Patricia, as well as Willie.

6 Do you need their names?

7 MR. SCHWARTZ: Yeah.

8 A. (Continuing.) Allison Hughes, H U G H E S.

9 And a Virginia Edmondson. And it's E D M O N D S O N.

10 BY MR. SCHWARTZ:

11 Q. Are all of -- is this your whole

12 organization: Mr. Daniel, Miss Burzynski,

13 Miss Hernandez, Miss Hughes, and Miss Edmondson?

14 MS. BARRETT: Objection; vague and

15 ambiguous as to "organization."

16 BY MR. SCHWARTZ:

17 Q. Is this all the people that report to you

18 directly or indirectly?

19 A. Yes.

20 Q. And are all these people located in Depew,

21 New York, as well?

22 A. Yes.

23 Q. Do all of these HSBC Bank employees support

24 HSBC Mortgage Corporation or the mortgage division?

25 A. We all support the mortgage corporation, yes.

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1 Q. And . . . could you describe each -- for
2 each of your five subordinates -- what he or she
3 does, the areas of responsibility.

4 A. Willie and Patricia are two HR managers.
5 They support various areas of the mortgage division.

6 So, for example, Willie specifically
7 supports their sales and anything that rolls up
8 under sales and support sales.

9 Now, there's a number of divisions within.
10 Do you want me to get into all of that detail or --

11 Q. Yeah, to --

12 A. -- or just the high level?

13 Q. Give me -- give me as much as you can about
14 who does what there in HR, in your area.

15 A. Well, you asked what they -- their support
16 is, but what they do, that's -- that's even further.

17 So can you clarify a little bit.

18 Q. I was trying to ask as broad as possible a
19 question so I can get the lay of the land of your
20 team, so --

21 A. Okay.

22 Again, Willie -- Willie and Patricia are
23 HR managers, so they will be business partners to
24 various managers within the HS -- HSBC Mortgage Corp
25 in every aspect of -- of employee relations,

00027

1 Q. And the marketing functions, those are also
2 performed for the whole sales staff nationwide from
3 Depew, as well?

4 A. Correct.

5 Q. And then Miss Burzynski, what -- what
6 area -- if Mr. Daniel is responsible for all the
7 sales-related folks, what is Miss Burzynski
8 responsible for?

9 A. Credit, finance. The servicing systems
10 administration, our collections group. So -- she
11 has everything else, so she's got a pretty big
12 role, too.

13 Q. Does Mr. Daniel also have a vice president
14 title in addition to his HR manager title?

15 A. Yes.

16 Q. So all of the employee relations functions
17 for the employees in the mortgage division would be
18 carried out through you and your staff of five; is
19 that right?

20 A. Yes.

21 Q. And everybody on your staff, they're also
22 HSBC Bank employees; right?

23 A. Yes. As stated earlier, we're all HSBC Bank
24 employees, yeah.

25 MR. SCHWARTZ: Okay. Can we go off the

00031

1 division, and you included recruiting, disciplinary
2 actions, onboarding, businesses -- coordinating on
3 business initiatives in the mission.

4 What other functions do you have, core
5 functions?

6 A. Personnel issues. If someone comes in with
7 any type of complaint or concern from as trivial as
8 parking in the wrong spot to anything that might be
9 of -- more of a serious nature, it -- helping to
10 administer the pay practices to ensure that they're
11 done fairly and equitably.

12 We consider ourselves the guardians of
13 consistency, so making sure all the practices are --
14 human resources policies -- are followed
15 consistently, that a precedence isn't set.

16 Annual review process, midyear review
17 process, assisting with the goal setting, so we also
18 have an audit type of a function to ensure that
19 those things are carried out.

20 Again, it's -- includes all that but it's
21 not limited to just that. There's many day-to-day
22 things that we have, as well.

23 Q. How many total -- how many employees are
24 there in the mortgage division?

25 A. Approximately 1600.

00032

1 Q. How many of those are loan officers?

2 A. I would have to take an educated guess.

3 About 275, give or take.

4 Q. And the term "loan officer" is used broadly
5 to refer to anybody who is or used to be known as a
6 retail mortgage lending consultant, a senior retail
7 mortgage lending consultant, a premier mortgage loan
8 consultant, any of those types of titles? They
9 would all fall under that category of loan officer;
10 is that right?

11 A. The premier no longer exists altogether, so
12 they are just regular loan consultants.

13 So I would say, yes, they're all considered
14 loan consultants.

15 Q. Loan consultant, loan officer, these are all
16 synonymous?

17 A. It's -- yes.

18 Q. Okay. And then how many sales assistants
19 are there to help the -- the sales team or the
20 loan -- the loan officers?

21 A. Well, as far as the sales assistant --
22 and -- if we look at it today, the sales assistant
23 today, there's maybe 18. And the sales assistant --
24 because there's two different functions, the sales
25 assistants and then there's loan production -- what

00033

1 was formerly known as the loan production office
2 assistants.

3 And the loan production office assistants
4 are much more clerical in nature, and there's maybe
5 25 or 30 of those. And I'm -- I'm guessing at -- at
6 the exact numbers, but --

7 Q. And --

8 A. -- as I recall, those would be about the
9 numbers.

10 Q. And the 18 sales assistants and 25 to
11 30 loan production office assistants are -- all
12 together today they're called -- they have one
13 title; correct?

14 A. With a slight variation.

15 Q. What's the title?

16 A. The title today is mortgage sales support
17 specialists.

18 Q. Mortgage sales support specialists?

19 A. Right. And the variation to the sales
20 assistant is it's "mortgage sales support specialist
21 commissioned" because they receive a share of the
22 commissions from the loan officers that they're
23 supporting.

24 Q. And other titles that have gotten lumped
25 into the mortgage sales support specialists are

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1 field administrator and senior field administrators;

2 is that right?

3 A. Yes, but I want to clarify. The field

4 administrator and senior -- you know -- senior field

5 administrator, that was a -- such a generic term.

6 They're still using it today out in the field, but

7 it isn't an actual job title. It was always "loan

8 production office assistant" or "senior loan

9 production office assistant."

10 So they kind of use that "field

11 administrator" as just a generic, industry-type

12 term, so I want to clear that up.

13 Q. It's the same thing as "loan officer"? It's

14 a general --

15 A. Exactly.

16 Q. -- term to describe your -- what you're

17 calling mortgage sales support specialist?

18 A. I would say that, yeah.

19 Q. Now, you -- you said that you do -- part of

20 what your HR team does are the recruiting functions

21 for the mortgage division?

22 A. Correct.

23 Q. Let me show you a document that is . . . was

24 previously marked by Defendant MORT 133 to 144, a

25 12-page document.

00099

1 Q. No, no, that's not what I meant.

2 A. Okay.

3 Q. Within -- that's why I said "within each

4 class of positions." In other words, all loan

5 officers across the country, all sales assistants

6 across the country, all account executives across

7 the country -- they are, within each position,

8 compensated in the same way with the same structure

9 nationwide?

10 A. Correct.

11 Q. Okay.

12 A. Correct.

13 Q. Have there been any changes in the last

14 five years that you're aware of in the manner of

15 compensating loan officers?

16 A. That's rather broad. As far as how they're

17 compensated, they're -- they may have changed the

18 basis points and how much they are paid, but the

19 overall structure has not changed. They have always

20 been draw, commissioned, exempt employees.

21 Q. So the -- the only variation that would have

22 occurred in the last five years with respect to loan

23 officers would be the amount of basis points that

24 they're earning at any one time on -- to -- as the

25 basis of their commission?

00156

1 well as making sure all the paperwork is -- is back.

2 So slightly variations, but across the

3 country they would be the same, yes. There's only

4 one job description for each job.

5 Q. Right. And the same is true with loan

6 officers, that they would perform similar job duties

7 across the country?

8 A. The job -- exactly. The job description is

9 the same for those roles.

10 And, again, I want to specify for the

11 mortgage corporation. The finance company, as you

12 iterated earlier, they may have a different job

13 description based upon their business.

14 Q. Do you have any data or information as to

15 what percent of loan officers' compensation is

16 earned in the base salary versus in commissions

17 above that?

18 A. That would be data we'd have to ask from

19 finance. It isn't something that I know off the top

20 of my head or have asked them for.

21 But those are -- there are reports that we

22 can generate, what is someone earning in base and

23 then what is someone earning in incentive. It's

24 also part of the employee's pay record.

25 Q. What -- can you describe the records that

00158

1 Q. Do you have . . . national performance
2 standards that apply to all of your loan officers
3 and -- and standards that apply to all of your
4 mortgage sales support specialists?

5 A. As far . . . let me -- can I narrow that
6 down a little bit?

7 Q. Yes, please.

8 A. All right.

9 As far as national standards, every employee
10 has standards they have to -- to meet. It's their
11 key accountabilities. It's their job. All right?

12 And then we have annual reviews that are
13 reflected upon that.

14 So, for example, if we're talking about --
15 again, the two roles. There's mortgage support, the
16 clerical function. It would be whatever they need
17 to be doing, and their manager would review that on
18 an annual basis with them.

19 What they might be doing in their duties in
20 New York might be different in California, based
21 upon what their manager needs. Okay? But the
22 overall crux of it, the overall core
23 responsibilities would be the same, and that's what
24 they would be evaluated on. So a relative
25 assessment of people in like jobs.

00169

1 They're required to -- for example, if it's a verbal
2 discussion, they -- they don't need our involvement.
3 We ask that they let us know because that way we are
4 apprised if there's anything potential coming up.

5 We are required -- they are required if
6 anything is going in writing, such as a written
7 warning or a final written warning or even a
8 termination, it must go through us first. We must
9 review that document. We confirm the facts and
10 advise if they have enough and what the risks are if
11 there are any.

12 Q. And does this typically take place in e-mail
13 exchanges between you and the manager involved?

14 A. That or a phone call. Obviously, the
15 written documentation would be via an e-mail.

16 Q. And then, with respect to the final -- the
17 ultimate termination process, that would be -- how
18 would -- what sort of interaction would the
19 individual's manager have with you or your team?

20 A. They would notify us that they are going to
21 that next level, what has transpired -- again,
22 sending us the documentation identifying the history
23 of what had transpired -- "transpired" meaning what
24 that individual's corrective action process had been
25 to that date, how they had been notified, what the

00170

1 manager has done, what the employee hasn't done --
2 and then we would determine whether that individual
3 was terminated or not.

4 So -- that's usually via phone and e-mail at
5 the same time.

6 Q. You would make a final decision on
7 terminations?

8 A. It's -- it's between us and the manager. If
9 there is too -- if it is too high of a risk -- in
10 other words, they aren't treating that individual
11 equitably or they're setting up precedence -- then
12 we would say no, that a termination can't occur,
13 "You can't set a precedence for this individual."

14 Again, back to that we're guardians of
15 consistency, making sure everyone's treated the
16 same. If it is fine and we don't see any of that,
17 then we say, "You have grounds for termination, you
18 may remove."

19 Q. Were you involved in communications
20 regarding the performance management process and,
21 ultimately, the termination of Mr. Chaussy?

22 A. I was involved to the extent that Willie
23 Daniel was handling all of that, but he would confer
24 with me as to what the situations were. I don't
25 recall being directly involved.

00175

1 could be, so . . .

2 Q. It sounds like you're not in the best
3 position to testify about the specific process with
4 respect to the termination of Mr. Chaussy. Is that
5 right? Mr. Daniel is the person to talk to about
6 that?

7 A. With respect to his actual termination, yes,
8 I would say that.

9 Again, I conferred with Will, but to have
10 the exact recollection of what happened, that would
11 have to be Willie Daniel. I'm sorry.

12 MS. BARRETT: For the record, the
13 deposition notice doesn't ask her to be
14 knowledgeable on this particular subject.

15 BY MR. SCHWARTZ:

16 Q. What -- when you say you conferred with
17 Mr. Daniel about Mr. Chaussy's termination or that
18 process, what discussions did you have with him?

19 A. They're the same discussions I would have
20 with anyone else who's coming to me, that an
21 employee may be terminated, that we've -- have they
22 been given the due process, what is the infraction,
23 does it need that due process, what are the
24 stipulations.

25 Knowing that Mr. Chaussy wasn't performing